

The following breakdown should assist in you to distinguish costs that are administrative in nature between “general administration” and “technical services administration” (a.k.a. soft cost, carrying cost) when you are developing your budget for your HOME application.

General Administration

General Administration is a separate activity contained in the recipient’s approved budget and as shown on Exhibit A of a HOME contract if your application is funded. General Administrative costs are paid out of the general administration line-item of the HOME application budget. Not all awards have an approved general administrative budget (local governments, non-profit and CHDO applications usually receive a general administrative budget line item). The following items are considered general administrative cost (not all inclusive) and the activity must be allowable cost per federal requirements:

1. Overall program coordination. (e.g., establishing financial accounting documents and systems, management, internal controls and oversight responsibilities, etc.)
2. General administrative services. (i.e., 3<sup>rd</sup> party contracts, accounting, legal, etc.)
3. Reporting to the IFA. (i.e., request for funds, quarterly reports, etc.)
4. Advertising and marketing (general information, public outreach) about the activity or project .
5. Direct costs and salaries of the recipient’s staff directly involved in the administration of the activity project.
6. Indirect cost, such as office space rent, utilities, insurance, supplies, etc.
7. Costs incurred in the procurement of 3<sup>rd</sup> party administrative services, technical services or in the procurement/purchase of any indirect costs noted in #6 above.
8. Internal monitoring and oversight of funded program activities.
9. Coordination and resolution of monitoring and/or audit issues.
10. Audit costs.
11. Environmental review. (overall program)
12. Activities to affirmatively further fair housing. (in a general way)
13. Preparation and adoption of the Administrative Plan.

Technical Services Administration (Project Specific)

Technical Services Administration is a part of the activity budget. Technical Services Administrative costs are billed to the activity line-item, not the general administration line-item. The types of Technical Services Administration costs will vary from activity to activity. The following items are considered Technical Services Administrative Cost (not all inclusive) and the activity must be allowable cost per federal requirements:

1. All technical services necessary for individual, scattered site types of activities, whether accomplished internally with staff or contracted for. (e.g., initial inspections, work write-ups, cost estimates, construction supervision, etc.)
2. Project specific A/E services. (plans and specifications)
3. Financing cost. (e.g., origination fee, credit reports, escrow fees, title searches & opinions, deeds, security agreements, filing/recording fees, appraisals, etc.)
4. Developer’s fees.
5. Operating deficit reserves.
6. Impact fees.
7. Processing of individual applications for assistance.\*
8. Third party verification of applicant’s income.\*
9. Income eligibility determination and verification of applicants.\*
10. After-rehabilitation value determination.
11. Activities to affirmatively further fair housing. (project specific)

12. Underwriting costs and related fees associated with your financial assistance to individual projects.
13. Project specific forms and documentation.
14. Project specific environmental. (i.e., SHPO clearance)
15. Costs of procuring construction services.
16. Relocation services. (advisory services, notices, locating replacement units, inspections, negotiations, counseling, etc.)
17. Homebuyer education. (as applicable)

\*These could be performed as a general administrative expense.